CMS
CENTERS for MEDICARE & MEDICAID SERVICES

M+C RISK ADJUSTMENT PUBLIC MEETING

REDUCING THE DATA BURDEN

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M+C Organization Concerns

- Both the collection of data from physicians and providers and the submission of data from plans to CMS were problematic
- Volume of encounters collected from physicians was large
- Submission, correction, and tracking large amounts of data to CMS was time consuming, costly, and confusing

Outreach Efforts

- M+CO consultations:
  - Conducted calls with 3 trade associations
  - Consulted with 19 organizations covering about 1.5 million beneficiaries
  - Included different types of M+COs
- Outreach to providers and physicians
  - Held calls with major trade groups representing physicians and hospitals

Addressing M+C Organization Concerns

- Simplify the reporting form
- Reduce the volume of transactions submitted
- Limit the number of edits
- Eliminate the fee-for-service based processing system
- Facilitate implementation of an improved risk adjuster

Simplify Reporting

- Reduce data elements to the minimum set required for risk adjustment. These are:

  HIC Diagnosis code

  From Date Through Date

  Type of Bill (e.g., inpatient hospital, physician)
- An additional indicator will be needed if the model selected requires identification of the principal inpatient diagnosis code

Reduce Volume of Transactions

- Require submission of only those conditions that trigger a risk adjusted payment, which eliminates collection of conditions that remain in base payment group
- Permit M+C organizations to submit these conditions only once during a reporting period

Limit Edits

- Reduced number of required elements results in fewer edits
- Movement away from fee-for-service equivalent encounter will simplify data processing, reports, and tracking issues

Eliminate Fee-For-Service Processing System

- Moving from encounter based system to report of relevant diagnoses allows less complex system
- System will edit all data elements at single point
- Allow for quicker turn arounds

Facilitate Improved Risk Adjuster

- Simplified data collection and submission will allow improved risk adjuster to be implemented
- Models will incorporate physician and hospital outpatient diagnoses, in addition to inpatient
- More complex models require more diagnoses

Results of Simplified Process

	Original Comprehensive Model	All or Selected Significant Disease Models
Submission Frequency	Monthly	Quarterly
Annual submissions per enrollee	12	1.2-1.6
Average number of data elements	50	10-19
Average annual data elements per enrollee	600	12-30

Schedule

- Comments on models and data approach must be received by COB February 1
- Data requirements—
  - Select diagnoses—March 2002
  - Submission begins October 2002 for dates of service retroactive to July 1, 2002
- Training—May/June 2002

Schedule (cont'd)

- New system to process universal reporting form—October 2002
- Publish final methodology—January 2003

Remainder of Presentations

- Next presentation addresses various types of risk adjustment models currently under consideration
  - Note that each can be implemented using fewer data elements and reduced volume
- After lunch, presentation addresses data collection and editing system